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Burma

Grain and Feed

Rice Monthly Trade Report - August 2004

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Report Highlights:

Myanma Agricultural Produce Trading (MAPT), an agency of the Ministry of Commerce, was allowed to export 15,000 metric tons of Ehmata 25 percent rice to Gambia. Irrawaddy Division suffered heavily from floods, which lasted for about three weeks. The prolonged floods destroyed a lot of the main wet season crop and would seriously affect the country's paddy production.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
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[BM]

MARKET SITUATION

Heavy rains in July and August caused floods in Irrawaddy, Bago, Magwe, Mandalay, and Sagaing Divisions, Kachin, Mon and Rakhine States. Major rivers such as Irrawaddy, Chindwin and Thanlwin peaked to the above-danger level and poured in to towns, villages and wards nearby. Confirmed sources said that floods displaced about 100,000 households and wiped out several crops, especially the main wet season paddy crop. The floodwaters, which lasted for about three weeks in Irrawaddy Division, made it difficult for the seeded main wet season paddy crop in these affected areas to survive. Many of the rice farmers' houses, including their livestock and paddy/rice set aside for domestic consumption, washed away.

Myanmar Agricultural Produce Trading, an agency of the Ministry of Commerce, sold their old stocks of paddy/rice to the private sector in the Rakhine State and permitted them to export via border trade deals to Bangladesh. Although there was a high demand for Ehmata 25 percent rice, a weak demand for paddy resulted in depressed prices.

According to the Ministry of Agriculture and Irrigation, the second dry season harvest was completed and 98 percent of the main wet season was seeded against the target of 13.7 million acres.

TRADE

A total of 17,510 metric tons of rice were exported in August 2004, mainly to Bangladesh on a border trade.

Bangladesh - a total of 2,519 mt of rice and 5,010 mt of paddy exported:

2,487 mt of Ehmata 25 percent

32 mt of Par Boiled rice

5,010 mt of Paddy

Gambia - a total of 15,000 mt of rice exported:

15,000 mt of Ehmata 25 percent

Monthly Rice Exports

Monthly Rice Exports (Metric tons)	2003				2004			
	Milled	Broken	Total	Paddy	Milled	Broken	Total	Paddy
Jan.	16,841	14,844	31,325	0	5,857	0	5,857	0
Feb.	61,348	21,144	82,492	0	0	0	0	0
Mar.	80,976	943	81,919	0	0	0	0	0
Apr.	57,688	1,150	58,838	0	0	0	0	0
May	46,158	2,684	48,842	79	0	0	0	673
June	8,060	2,804	10,864	411	1,000	0	1,000	4,199
July	17,175	32,005	49,180	154	1,304	0	1,304	4,691
Aug.	330	2,344	2,674	1,315	17,510	0	17,510	2,487
Sept.	1,869	7,651	9,520	0				
Oct.	3,111	2,137	5,248	0				
Nov.	1,448	3,537	4,985	0				
Dec.	7,402	4,269	11,671	0				
Rice Totals:	302,406	95,512	397,918	1,959	25,671	0	25,671	12,050

SALES

There were no rice sales in August.

National average domestic wholesale rice price (Kyat/kilo)

	Ehmata	Superior	Inferior
Current Month	113	185	106
Previous Month	109	176	106
One year ago	160	226	147

National average domestic wholesale paddy price (Kyat/ton)

	Ehmata	Superior
Current Month	65,740	143,653
Previous Month	65,739	143,653
One year ago	104,696	160,696

Average exchange rate: one US\$= Kyat 950

Paddy prices were basically unchanged from those in the previous month. Prices for Ehmata rice increased by 4 percent while those for superior quality rice increased by 5 percent, respectively. However, prices for inferior quality rice were stable at Kyat 106 per kilo. Paddy prices firmed in most districts as flooding caused most of on-farm domestic consumption to be washed away or rice stocks to become animal feed. Floods also cut off roads connecting Rangoon with the Irrawaddy division for a few weeks and obstructed rice deliveries to Rangoon rice markets. Rice prices did not increase as high as earlier projected by traders. Rice trade was bad in general and the majority of the people did not have sufficient means of

hoarding rice for price speculation.

EXPORT PROSPECTS

Even though the GOB refrained from mentioning the floods in the media, the Irrawaddy Division heavily suffered from flooding. Although the Ministry of Agriculture and Irrigation encouraged farmers to replant paddy immediately after the floodwaters receded, confirmed sources said that it was too late as the monsoon season was over in September and the farmers lacked financial means to replant the crop.

Post believed that rice production will decline in MY 2004/05 due to a decrease in harvested area and yields. However, a rice export ban in CY 2004 should help to buffer stocks in the hands of millers and traders and alleviate the effect on price increase in CY 2005. As a result, rice/paddy prices should remain strong in 2005 but will not be as high as the level in CY 2003, when domestic rice prices were higher than market world prices.

The next coming months will be interesting months when the early maturity variety of the main wet season paddy harvest comes in. The flooding difficulties, combined with the government restrictions on rice trade, make it quite likely at this juncture that Burma is fading out of the rice exporting business.

End of Report